

House Engrossed

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

CHAPTER 302

# **HOUSE BILL 2599**

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2930.02; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 36, chapter 29, article 1, Arizona Revised Statutes,  
3 is amended by adding section 36-2930.02, to read:

4 36-2930.02. Provider participation; grounds for exclusion;  
5 rules; definition

6 A. THE ADMINISTRATION SHALL EXCLUDE FROM PARTICIPATION IN THE SYSTEM  
7 ANY INDIVIDUAL OR ENTITY THAT MEETS ANY BASIS FOR MANDATORY EXCLUSION  
8 DESCRIBED IN 42 CODE OF FEDERAL REGULATIONS SECTION 1001.101.

9 B. THE ADMINISTRATION, IN ITS SOLE DISCRETION, MAY EXCLUDE FROM  
10 PARTICIPATION IN THE SYSTEM ANY INDIVIDUAL OR ENTITY THAT HAS DONE ANY OF THE  
11 FOLLOWING:

12 1. MET ANY BASIS FOR PERMISSIVE EXCLUSION DESCRIBED IN 42 CODE OF  
13 FEDERAL REGULATIONS SECTION 1002.210.

14 2. COMMITTED ANY ACT PROHIBITED BY SECTION 36-2918 OR 36-2957.

15 3. BEEN FOUND LIABLE FOR THE NEGLECT OF A PATIENT THAT RESULTS IN  
16 DEATH OR INJURY.

17 4. ENGAGED IN THE UNLAWFUL DISPOSAL OF MEDICAL WASTE IN VIOLATION OF  
18 FEDERAL, STATE OR LOCAL LAW.

19 5. SUBMITTED A CLAIM FOR A PROCEDURE PERFORMED IN ASSOCIATION WITH AN  
20 ABORTION IN VIOLATION OF FEDERAL OR STATE LAW.

21 6. FAILED TO SEGREGATE TAXPAYER DOLLARS FROM ABORTIONS, INCLUDING THE  
22 USE OF TAXPAYER DOLLARS FOR ANY OVERHEAD EXPENSES ATTRIBUTABLE TO ABORTIONS.

23 7. FAILED TO COMPLY WITH FEDERAL OR STATE LAW REQUIRING MANDATORY  
24 REPORTING OF SEXUAL ABUSE, SEXUAL ASSAULT, CHILD OR SEX TRAFFICKING OR  
25 STATUTORY RAPE.

26 C. THE DELINEATION OF GROUNDS FOR EXCLUSION PURSUANT TO SUBSECTIONS A  
27 AND B OF THIS SECTION DOES NOT EXCLUDE ANY OTHER BASIS FOR EXCLUSION PURSUANT  
28 TO STATE LAW OR ANY RULE ADOPTED BY THE ADMINISTRATION.

29 D. THE DIRECTOR SHALL ADOPT RULES THAT PRESCRIBE PROCEDURES FOR  
30 DETERMINING THE LENGTH OF EXCLUSION, APPEALING THE EXCLUSION DETERMINATION  
31 AND REQUESTING REINSTATEMENT FOLLOWING AN EXCLUSION.

32 E. FOR THE PURPOSES OF THIS SECTION, "EXCLUDE" MEANS THAT ITEMS AND  
33 SERVICES FURNISHED, ORDERED OR PRESCRIBED BY A SPECIFIED INDIVIDUAL OR ENTITY  
34 WILL NOT BE REIMBURSED BY THE ADMINISTRATION, A CONTRACTOR OR ANY AGENT OF  
35 THE ADMINISTRATION OR A CONTRACTOR. EXCLUDE INCLUDES THE TERMINATION OF A  
36 PROVIDER AGREEMENT OR THE ADMINISTRATION'S REFUSAL TO ENTER INTO A PROVIDER  
37 AGREEMENT.

38 Sec. 2. Short title

39 This act shall be known as the "Taxpayer Protection and Medicaid  
40 Integrity Act".

41 Sec. 3. Severability

42 If a provision of this act or its application to any person or  
43 circumstance is held invalid, the invalidity does not affect other provisions  
44 or applications of the act that can be given effect without the invalid  
45 provision or application, and to this end the provisions of this act are  
46 severable.

~~APPROVED BY THE GOVERNOR MAY 17, 2016..~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 17, 2016.~~

Passed the House March 2, 2016

by the following vote: 35 Ayes,

24 Nays, 1 Not Voting

[Signature]  
Speaker of the House

☐ Pro Tempore

[Signature]  
Chief Clerk of the House

Passed the Senate May 5, 2016

by the following vote: 16 Ayes,

13 Nays, 1 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

6 day of May, 2016

at 10:21 o'clock A. M.

[Signature]  
Secretary to the Governor

Approved this 17<sup>th</sup> day of

May

at 1:15 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 17<sup>th</sup> day of May, 2016

at 4:35 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2599